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September 6, 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

William F. Caton
Office of the Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, D.C. 20554

**NOTICE OF WRITTEN
EX PARTE CONTACT**

Re: **Implementation of the Pay Telephone Reclassification and
Compensation Provisions of the Telecommunications Act
of 1996, CC Dkt. No. 96-128**

Dear Mr. Caton:

This letter is submitted on behalf of the Georgia Public Communications Association ("GPCA") and the American Public Communications Council ("APCC") to bring to the Commission's attention certain materials that have come to light since the filing of reply comments in the above-referenced docket and to clarify APCC's and GPCA's position on some issues relating to Regional Bell Operating Company ("RBOC") authority to choose the interLATA operator service provider ("OSP").

RBOCs Suffer No Competitive Infirmary in the Payphone Market

In their comments and reply comments, APCC and GPCA pointed out that the RBOCs suffer no competitive infirmity as a result of being unable themselves to choose the OSP presubscribed to their payphones for interLATA 0+ calls. The commissions paid to premises owners by OSPs or by "location agents" (who presubscribe RBOC payphones on behalf of numerous premises owners) reduce, dollar for dollar, the amount of commissions the RBOCs must pay the premises owners. To compete, independent public payphone ("IPP") providers, in essence, simply act as "conduits" to flow through to premises owners the commissions that the IPP providers receive from OSPs. Because premises owners ultimately look at the total revenue package they receive, the RBOCs are at no competitive disadvantage because they cannot choose the interLATA OSPs. See APCC Comments at 44-45; GPCA Reply Comments at 20-21.

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The RBOCs, however, continue to argue that they are at a disadvantage because IPP providers allegedly can "outbid" them for contracts with location providers by offering commissions on both interLATA and intraLATA traffic while the RBOC "can offer a commission based only on intraLATA usage." See "The Public Interest Benefits of Permitting RBOC PSPs to Negotiate with InterLATA Carriers," submitted with a letter to Mary Beth Richards from Michael K. Kellogg, dated August 29, 1996 ("RBOC InterLATA White Paper") at 1.

Enclosed with this letter is an announcement of the Missouri Restaurant Association that introduces "the *new Public Telephone Plan*" developed in partnership with Southwestern Bell. (Emphasis in original.) The announcement describes a plan that will give Missouri Restaurant Association members "maximum commission revenue" and explains how to enroll in the program. The announcement includes a matrix that shows commissions on coin and non-coin traffic of up to 25%, with the explanation that "The commissions you receive from Southwestern Bell are paid on true gross revenues without deducting line charges, maintenance fees, collection fees, move/change fees, damage/vandalism fee, or uncollectibles." The explanation then goes on to state:

(Note: To calculate your commission revenue, don't forget to include commissions received from your long distance carrier.)

In short, it is clear that the RBOCs make their customers well aware that there will be additional commission revenue coming from interLATA long distance carriers. Thus, it is disingenuous of the RBOCs to claim that they are being "outbid" because they cannot offer commissions based on interLATA traffic. The RBOCs make clear to location providers that in fact those commissions are available to the location providers.¹

The RBOCs also argue that:

Currently, non-RBOC PSPs can aggregate their payphones and obtain . . . increased commissions for their customers. Competing RBOC PSPs are at a disadvantage because they cannot.

¹ Of course, IPP providers may not be able to pay on "true gross revenues" since IPP providers must pay Southwestern Bell the "line charge" and absorb the other expenses that Southwestern Bell ratepayers absorb for Southwestern Bell. And, of course, Southwestern Bell's billing agreements provide for deducting "uncollectibles" before Southwestern Bell remits to IPP providers.

RBOC InterLATA White Paper at 2. In fact, the RBOCs can and do use independent "location agents" to aggregate numerous locations for purposes of interLATA selection.

The RBOCs also argue that they are at a disadvantage because they cannot provide "one-stop shopping" to location providers. RBOC InterLATA White Paper at 1, 2. The RBOCs' factual premise is not correct. Such one-stop shopping can be, and is, provided for RBOC payphones by the location agents just discussed. In addition, the RBOCs themselves have provided such "one-stop shopping" under the decree restrictions for years. Enclosed is an amendment to Ameritech's equal access plan in which it informed the Department of Justice that it would provide such one-stop shopping.

RBOC Market Share

While APCC and GPCA make clear that the RBOCs do not suffer any competitive infirmity because of current restrictions, APCC and GPCA did point out some of the inherent dangers in allowing the RBOCs to choose the interLATA OSP in the absence of certain safeguards.

In response, the RBOCs assert that their market share is substantially less than the market shared alleged by APCC and GPCA. As GPCA has pointed out in its Reply Comments (at n. 7), a large part of the RBOCs' ability to make this argument turns on the RBOCs' anomalous treatment of almost half their payphones. For example, in the ex parte of August 15, 1996, the RBOC Payphone Coalition excludes 191,000 semi-public payphones and 266,000 payphones that generate less than \$4.00 a day, a total of approximately 457,000 payphones, of 911,000 payphones (in a five-region area).

The RBOCs do not advance any coherent rationale for why this portion of their embedded base should be excluded. For example, they do not explain why they continued to maintain the 266,000 payphones generating less than \$4.00 a day² if they are not profitable, and presumably, the customers for the 191,000 semi-public payphones will continue to pay to have the payphones. All of these payphones generate traffic and will be part of any aggregation(s) the RBOCs present to an OSP.

In any event, even after these exclusions, the RBOCs point out that they remain with 58% of the market on a five-region wide basis. (If all of the RBOCs' payphones are included, the RBOCs have almost 75% of the market (911,000 RBOC payphones as opposed to 329,000 independent payphones).) This is far larger than any combination of

² Nor do the RBOCs explain exactly what revenues are included in this \$4.00 a day.

the five largest IPP providers in any region and is sufficient to make the RBOCs overwhelmingly dominant in any market.³

In this regard, we wish to clarify that APCC and GPCA favor the proposal under which the Commission would require an OSP to make available to an IPP provider aggregation of at least one-third of the IPP lines in a Bell Company's territory the same commission level as the OSP agrees to pay to the Bell Company. GPCA Reply Comments at 22. APCC proposed as an option that a RBOC that is allowed to choose the presubscribed interLATA OSP must limit the number of RBOC payphones that the RBOC would presubscribe to a particular OSP to a number equal to one-third the number of IPP lines in the market. This option is retained in the GPCA Reply Comments and in the rule attached to the APCC Reply Comments. See APCC Reply Comments, Attachment 1 at 9-10.

³ The RBOCs also argue that they have thousands of independent public payphone provider competitors. For example, in one of its ex parte filings, BellSouth points out that there are some 2,000 independent public payphone providers registered in "BellSouth territory". BellSouth Ex Parte of August 8, 1996 to William F. Caton. Similarly, the RBOC Payphone Coalition claims that there are more than 15,000 IPP providers. RBOC Payphone Coalition ex parte of July 25, 1996, at slide 4. What BellSouth and the RBOC Payphone Coalition fail to note is that most of these IPP providers, indeed the overwhelming majority, have less than five or ten payphones. In fact, many of these alleged IPP providers are other types of businesses, e.g., a laundromat that have their own payphones.

A more realistic view of the number of competitors is presented in the prospectus prepared by Ameritech to offer its payphone division for sale. This prospectus has been separately submitted by APCC to the Commission. In that prospectus, "The Payphone Business of Ameritech," Ameritech states that there are "an estimated 600 payphone operators nationwide," only 25 of which have more than 1,500 payphones. This is a much more realistic view of the state of competition faced by the RBOCs with their 75% market share in the five regions for which they report data. This is the appropriate measure of market control that the Commission must examine in assessing the need for restraints if the RBOCs are allowed to choose the presubscribed interLATA OSPs from their payphones.

Either option would control the exercise of RBOC market power. Simply limiting the number of payphones that a RBOC could presubscribe to a particular OSP has the virtue of simplicity. Requiring the same commission rate addresses in a different way the public policy concerns that are raised if the RBOCs are allowed to choose the interLATA OSPs prescribed to their payphones. To the extent the RBOCs have market power as a result of their dominant market share of payphones, the market power could not be exercised in a manner that benefited only the RBOCs and further entrenched their dominant market position.⁴ The RBOCs would have to share the benefit of any market power they exercise with competitors and would thus be prevented from using their market power to perpetuate their own dominance. At the same time, the OSPs are motivated to resist exercise of the RBOCs' market power because any concession to the RBOCs' market power must be shared equally with aggregations of other payphone service providers in the market.

APCC's "Reversal" of Position

In their Reply Comments, both BellSouth and the RBOC Payphone Coalition attempt to make much of an alleged reversal of position by APCC regarding whether the RBOCs should be granted authority to choose the interLATA OSP presubscribed to their payphones. BellSouth refers to APCC's alleged reversal of position as "private interest protectionism" and "regulatory welfare" (BellSouth Reply Comments at 3), while the

⁴ The RBOCs apparently attempt to argue that the number of payphones lines is not a relevant measure and that the Commission should look at the calling volumes from payphones instead. See letter to Michael Carowitz from Michael Kellogg dated August 15, 1996 and Slide 6 of RBOC Payphone Coalition presentation of July 25, 1996. Preliminarily, there is some question as to the accuracy of the information on calling volumes. (We do note that the data submitted by the RBOCs certainly raises the question of how the RBOC Payphone Coalition, competitors of independent public payphone providers, gathered data from local exchange carrier operations regarding calling volumes from competitors' payphones.) In any event, as the note accompanying the APCC proposed Rule explains, (see APCC Reply Comments, Attachment 1 at 10) APCC would be willing to base its rule on the volume of minutes rather than the number of lines if objectively verifiable data were available. Presumably, once the RBOC payphones are separated from their local exchange carrier operations, they will not have access to this kind of proprietary data. If volume of minutes or volume of calls is the relevant measure for placing the limit on aggregation of RBOC payphones, the rule proposed by APCC would allow that flexibility if the data could be objectively determined and verified. As explained in the note to APCC's proposed Rule, APCC relied on the number of payphone lines because it can be objectively verified from publicly available RBOC information.

RBOC Coalition accuse APCC of a "self-serving attempt to foist a regulatory disadvantage on its competitors" and "a cynical and hypocritical example of regulatory gamemanship." RBOC Payphone Coalition Reply Comments at 30. In support of their attack on APCC, the RBOCs cite a series of letters and memoranda prepared during the Congressional deliberations over the Telecommunications Act of 1996. Quoting selectively from these letters, they argue that APCC stated that granting RBOCs authority to choose their interLATA OSPs would enhance competition. See also RBOC InterLATA White Paper at 3.

APCC has not reversed its position. APCC's comments do not oppose grant of interLATA selection authority to the RBOCs. Rather, APCC urges the Commission, in the event that it decides to grant such authority, to adopt effective safeguards to ensure that competition in the payphone market is not adversely affected by the RBOCs' exercise of interLATA selection authority. *None* of the APCC congressional letters cited by the RBOC Coalition is inconsistent with APCC's current advocacy of safeguards to protect competition in payphone markets. Each of the letters is careful to point out that it is addressed to the concerns of interLATA carriers regarding the competitive effects in the interLATA market of granting the RBOCs the right to choose the OSP. Thus, for example, the letter to Larry Pressler of May 16, 1995 from Albert H. Kramer states that the amendment allowing RBOCs to choose interLATA OSPs "should not raise competitive concerns in long distance markets." Similarly, the letter of June 2, 1995 to Senator Pressler (at p.2) states that "this amendment is fair to the carriers," and was further amended to alleviate any concerns raised by the carriers about the amendment."⁵

5 Emphasis added. The RBOCs assert that the letters urged adoption of Section 276 to address an imbalance in the industry. RBOC Payphone Coalition Reply at 30. The imbalance referred to was the imbalance of bargaining power between the IXC's and payphone providers. The amendment would allow the RBOCs, as a dominant payphone provider, to bargain on equal footing with the IXC's. Thus, for example, the memorandum of October 16, 1995, states that the provision allowing the RBOC to choose the interLATA OSP is designed to address the fact that "the large interLATA carriers have had free reign to use their overwhelming market muscle to capture, on their terms, the interLATA payphone traffic from smaller location providers . . . [by allowing the RBOCs are allowed to choose the interLATA OSP,] [i]nstead of AT&T negotiating with the local convenience store or mall owner, the House provision permits the RBOCs to obtain location providers' authority to aggregate the location providers' RBOC payphones with other payphones to negotiate head-to-head with the large carriers to determine which of those carriers will provide interLATA services from RBOC payphones." APCC had always intended that the resulting effect on payphone competition of RBOC dominance would be addressed in the instant rulemaking. See text following this note.

None of the letters in any manner indicates that there would not be competitive consequences to the payphone market from RBOC choice of the interLATA OSP or that there were not residual concerns with competition in the payphone market. Indeed, each of the letters makes the point that "the FCC proceeding required to implement the terms of the amendment will afford all participants ample opportunity to raise" any residual competitive concerns.

In sum, the thrust of these letters and memos was to say that there would not be an adverse competitive effect on long distance markets from allowing RBOCs to choose the interLATA OSPs and that allowing the RBOCs to choose the interLATA OSPs could redress an imbalance of bargaining power between the large interLATA carriers and smaller payphone providers. But each of the memoranda and letters cited by the RBOCs went on to state that there were residual competitive concerns that would have to be addressed in the FCC rulemaking implementing the legislation. Those residual competitive concerns involve imbalance in the payphone market, not the long distance markets. And it is those competitive concerns that APCC has asked the Commission to address in the restrictions it has proposed in order to alleviate the effect of RBOC choice of interLATA OSPs on the payphone markets.⁶


* * * * *

⁶ Each of the letters made absolutely clear that "nothing in [Section 276] would allow the RBOCs to operate as interexchange carriers by providing long distance facilities or even reselling long distance telephone service. Entry into these activities would be governed . . . by the general provisions regarding RBOC entry into long distance." Letter of June 2, 1995, to the Honorable Larry Pressler at page 2. See also letter to the Honorable Larry Pressler of May 16, 1995, at page 2; memorandum of October 16, 1995, at 1. The RBOCs ignore this point entirely in their arguments to the Commission and in their citations of these letters. See Ex Parte presentation of August 8, 1996, of BellSouth (arguing that the right to choose the interLATA OSP "includes the ability to resell and brand interLATA services.")

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In conclusion, APCC has shown that the RBOCs suffer no competitive infirmity by virtue of the current restriction on choice of interLATA OSP by the RBOCs. If the RBOCs are allowed to choose the interLATA OSP, the Commission must adopt safeguards in accordance with the guidelines urged by the APCC in order to prevent the anti-competitive effects on the payphone market.

Sincerely,



Albert H. Kramer

AHK/rw
Enclosures



MISSOURI RESTAURANT ASSOCIATION
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(816)753-5222 • FAX (816)753-6993

The Missouri Restaurant Association ...announces the *new Public Telephone Plan*

The Missouri Restaurant Association is pleased to introduce our new Public Telephone plan developed in partnership with Southwestern Bell. This plan provides your customers with first-rate public telephone service. It gives Missouri Restaurant Association members maximum commission revenues and Southwestern Bell's state-of-the-art quality products and services — plus the following advantages:

- Competitive commissions with no hidden deductions
- Zero maintenance costs
- No administrative costs
- Superior quality, technology and equipment
- A service provider with over 100 years experience and here to stay
- Customer satisfaction
- A common look your customers instantly identify
- Access to a variety of features and functions
- A pay telephone vendor located in your backyard

This new Public Telephone Plan provides real value to your customers and maximum revenues for your restaurant. As a member of the Missouri Restaurant Association you can take advantage of the bargaining power of over 3,000 members. The commission rates in this plan are substantially higher than commission rates that you may negotiate individually. If you are not already participating in a Southwestern Bell enhanced commission plan that is under a corporate or franchise agreement, this new plan is definitely for you. Additionally, we will provide an incentive to the Missouri Restaurant Association based on the number of members who participate.

This plan offers you a 5-year contract at the following graduated percentage rates for all gross revenues generated on your public telephone(s). If you do not currently have a Southwestern Bell pay telephone we will be happy to survey your location and recommend the appropriate service. You may refer any questions to our Southwestern Bell representatives at 1-800-286-7928.

The commissions you receive from Southwestern Bell are paid on true gross revenues without deducting line charges, maintenance fees, collection fees, move/change fees, damage/vandalism fees or uncollectibles. And Southwestern Bell does not increase commissions by raising the cost of a call like many pay telephone vendors. The Federal Communications Commission receives over 300 customer complaints each month because of these excessive pay telephone surcharges. (Note: To calculate your commission revenue don't forget to include commissions received from your long distance carrier.)

Daily Average Revenue Per Phone	Coin % Commission	Non-Coin % Commission
\$0.00 to 1.00	0	0
\$1.01 to 2.00	10	10
\$2.01 to 3.00	15	15
\$3.01 to 4.00	20	20
\$4.01 to 5.00	20	20
\$5.01 to 6.00	22	22
\$6.01 to 7.00	24	24
\$7.01 +	25	25

(Note: To calculate your true gross revenues, please include the surcharges received from your long distance carrier.)

If you wish to participate in our *New Pay Telephone Plan* please sign the enclosed contract and return to Southwestern Bell in the self-addressed envelope. The Missouri Restaurant Association and Southwestern Bell look forward to providing your customers with state-of-the-art services and products.

Sincerely,
Missouri Restaurant Association

Note: The Missouri Restaurant Association (MRA) and Southwestern Bell are making this offer to all MRA members in good faith that if this program is accepted, the signatory warrants that no preexisting agreement is in force. This is not to be construed as an enticement to cancel any existing agreements you may have with other pay telephone companies. If you are currently under contract with another pay telephone vendor, please disregard this opportunity.



AMERICAN INFORMATION TECHNOLOGY

THOMAS P. HESTER
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30 South Wacker Drive
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June 20, 1988

Nancy C. Garrison, Esq.
Assistant Chief
Communications & Finance Section
U. S. Department of Justice
555 Fourth Street, N.W.
Room 8106
Washington, D.C. 20001

Re: Change in Equal Access Procedures for the Routing of
Dial "0" Calls from Some Ameritech Public Telephones
(U.S. v. Western Electric, No. 81-0192).

Dear Ms. Garrison:

In accordance with the requirements of the District Court's order of March 6, 1985, Ameritech hereby notifies the Department of a change in its procedures for the routing of calls dialed without access codes from some Ameritech public telephones.

Since divestiture, dial "0" calls without access codes have been sent to American Telephone and Telegraph Company ("AT&T") exclusively. On January 29, 1988, the Department moved the Court for an order that would, inter alia, require the Bell Operating Companies ("BOCs") to file within sixty days plans that would end this routing. The Court, however, has not yet ruled upon the Department's motion.

Since 1984, the Ameritech companies have advocated before the Department, the Court, and the Federal Communications Commission ("FCC") that routing to AT&T should be replaced by Ameritech's plan to route calls by database inquiry according to the carrier preference of the party who will pay for each credit card, collect, or third-number call. However, the technological capability of doing so is not yet available. Moreover, neither the Court nor the FCC has yet approved the billed party preference plan or, indeed, indicated any inclination to approve any other plan to change the present routing.

While these issues have remained undecided, the owners and proprietors of premises on which public telephones are located have become increasingly aware of alternatives to the public telephones provided by the BOCs and other local exchange carriers ("LECs"). AT&T telephones and other private (i.e., non-BOC or non-LEC) public telephones are being employed to replace BOC

public telephones. Such public telephones frequently employ automatic dialing to direct all calls (whether or not dialed with any carrier's access code) to a carrier selected by the provider of the telephone or the premises owner. Often this carrier is the type of reseller known as an Alternate Operator Service ("AOS") provider. Under these arrangements, the owners and proprietors of public telephone premises are, as a practical matter, controlling the routing of both intraLATA and interLATA calls from their premises by virtue of their ability to select the public telephone provider. These developments have already been described to the Department in NYNEX Corporation's letter dated November 2, 1987, and have since been discussed extensively in the filings before the Court in response to the Department's January 29 motion and in current inquiries by the FCC and state commissions into the practices of AOS carriers.

Another recent development is that Ameritech and other BOCs are making available the data to permit validation of collect, third-number, and BOC credit card calls by all carriers. On May 19, 1988, U S West Service Link announced that it had loaded the data of Ameritech, Southwestern Bell, and U S West and that it was offering validation service on calls to be billed in the twenty-four states served by those three BOC regions. This makes the routing of calls without access codes to non-AT&T carriers a more workable option than before.

In the wake of these developments, Ameritech, like NYNEX, proposes to respond to competitive challenges to its public telephones by routing dial "0" interLATA calls to a carrier selected by the owner of the premises. (This would apply only to interLATA calls dialed without access codes; there would be no change in the routing of 10XXX, 950-XXXX, and other access codes.) In ascertaining the premises owner's choice of interLATA carrier, the Ameritech companies will not be engaged in providing interLATA services or selecting the interLATA carrier. The Ameritech companies will present a bid or proposal relating to the installation and maintenance of the telephone sets and the carriage of local and intraLATA toll traffic and will invite complementary bids from interLATA carriers who are in general agreement with the usual participation assumptions discussed below.

Bids will be invited from interLATA carriers as directed by the premises owners and will be in accordance with the equal access and non-discrimination requirements of the decree. Whenever the premises owner has not indicated any particular interLATA carriers to be solicited, the Ameritech companies will solicit complementary bids from all interLATA carriers who concur in the basis for participation and who might reasonably be expected to have an interest in the BOC public telephones in question. On the other hand, the Ameritech companies do not believe they are required to reveal one carrier's sales leads to the other carriers or to expand the list of bidding carriers beyond the scope desired by the premises owner. Thus, where an

Ameritech company is approached by a particular interLATA carrier with respect to a particular premises, the Ameritech company would submit its intraLATA bid to be complementary only with that carrier's proposal. Similarly, if a premises owner states that he has already selected an interLATA carrier, other carriers would not be notified.

Of course, the Ameritech companies would not seek to hinder any direct contacts between premises owners and interLATA carriers and would not try to prevent carriers from simultaneously bidding with other public telephone providers.

Commissions on interLATA calls paid to the premises owner by the selected interLATA carrier would belong entirely to the premises owner. Upon request, the Ameritech company would receive the commissions from the interLATA carrier and pass them on to the premises owner so that the premises owner may have the convenience of a single check, accounting separately for interLATA and intraLATA commissions.

Ending the exclusive routing of public telephone calls to AT&T will further both the letter and the spirit of the equal access and non-discrimination requirements of the decree. At the same time, those requirements would not be inconsistent with reasonable guidelines stating the normal basis for participation by interLATA carriers in these complementary bidding situations. The guideline proposed by the Ameritech companies is described in the attachment to this letter.

Some of the items in the attachment deal with legal and tariff questions and others relate to the quality of service available from Ameritech public telephones. Each Ameritech company's corporate identity and the Bell trademark appear on Ameritech public telephones, and end users would be misled if services from those telephones were not of the quality and value they have come to associate with those insignia. Furthermore, the end user would be confused and frustrated by any wide differences in using the same telephone for interLATA and intraLATA purposes, damaging the competitive position of the Ameritech public telephone as compared to those of other providers. Thus, for example, the Ameritech companies expect that carriers will not block "1+" coin-sent-paid calls.

The assumptions in the attachment are intended to apply to most situations, but would be subject to adjustment to meet the reasonable needs of premises owners in special circumstances. (Prisons, for example, usually forbid credit card and third-number calling by inmates.) Nevertheless, where a premises owner unreasonably insists upon substandard service, the Ameritech companies reserve the option to remove their public telephones from consideration. In addition, it should be noted that in the FCC's present inquiry into the operations of AOS carriers, many of the carriers have subscribed to a new Code of Responsibilities and have announced other improvements in their services, leading

one to expect that most parties who wish to be associated with BOC public telephones will elect to participate on the basis proposed by Ameritech. Any who do not will of course still be able to compete for the premises owner's selection by partnering with non-BOC providers of public telephones, which is just what they have been doing all along while BOC public telephones were being routed only to AT&T.

These procedures are intended to apply to Ameritech public telephones subject to the immediate pressures of competition. Ameritech still supports its billed-party-preference plan for other Ameritech public telephones, and most likely will not make any alternative or interim proposal before the Court has acted on the Department's January 29 motion. However, Ameritech does propose that any arrangements entered into as described in this letter be honored for whatever time period is agreed upon between the premises owner and the interLATA carrier, even if some other routing plan should be adopted or required in the meantime. For example, if an auction plan such as recently proposed by the GTE telephone companies were imposed by the Court or the FCC, Ameritech would argue that any premises owners who had previously chosen a carrier would be exempt until their agreement with the interLATA carrier had expired.

Even in advocating its billed party preference plan, Ameritech always has said that any of the alternatives, including carrier choice by the premises owner, would meet the requirements of the decree. Thus the premises owner choice plan described in this letter should not require a waiver or any action by the Department, and the letter has been sent for the purpose of complying with the Court's order requiring notice of changes. That order requires thirty days' notice unless the Department agrees to a shorter period. In view of the Department's efforts to end the default of public telephone calls to AT&T as soon as possible, the present proposal -- assuming that the Department has no objections to its merits -- would appear to be an appropriate instance for applying a shorter period. Accordingly, Ameritech requests the Department to advise Ameritech that it may proceed with the proposal before the thirty-day period has elapsed. Otherwise, the amendment will be put into effect after the thirtieth day.

Very truly yours,

Thomas P. Herten
/anb

cc: Luin Fitch, Esq.